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September 14, 2001

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VIA HAND DELIVERY

Mr. K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Joint Petition of Crockett Telephone Company, Inc., Peoples' Telephone Company, West Tennessee Telephone Company, Inc., and the Consumer Advocate Division of the Office of the Attorney General for the Approval and Implementation of Earnings Review Settlement.
Docket No. 99-00995

Dear Mr. Waddell:

As directed by the Order of the Pre-Hearing Officer dated August 24, 2001, enclosed please find the original and thirteen (13) copies of the Rebuttal Testimony of Dwight S. Work for filing on behalf of the TEC Companies in the above-referenced docket. I have also enclosed an additional copy of the Rebuttal Testimony, which I would appreciate your stamping "filed," and returning to me by way of our courier.

Should you have any questions with respect to this matter, please do not hesitate to contact me.

Best regards.

Very truly yours,



R. Dale Grimes

RDG/gci

Enclosures

cc: Jack W. Robinson, Jr., Esq. (via hand delivery, w/ enclosure)
Timothy C. Phillips, Esq. (via hand delivery, w/ enclosure)
J. Richard Collier, Esq. (via hand delivery, w/ enclosure)
T.G. Pappas, Esq.
Mr. Gregory Eubanks
Mr. Thomas W. Ott
Mr. Dwight S. Work

**CROCKETT TELEPHONE COMPANY
PEOPLES TELEPHONE COMPANY
WEST TENNESSEE TELEPHONE COMPANY
DOCKET NO. 99-00995
PREPARED REBUTTAL TESTIMONY OF
DWIGHT S. WORK**

1 **Q. Do you have any rebuttal testimony with respect to the Direct Testimony of Robert**
2 **T. Buckner, filed on behalf of the Consumer Advocate and Protection Division of**
3 **the Attorney General's office on September 7, 2001, in this docket?**

4 A. I have reviewed the testimony of Mr. Buckner and discussed his testimony with officials of
5 Crockett Telephone Company, Peoples Telephone Company and West Tennessee
6 Telephone Company ("Tennessee Operating Companies"). I have been advised that the
7 Tennessee Operating Companies have no objection to his testimony with respect to rate
8 design relative to the joint petition.

9 **Q. Do you have any rebuttal testimony with respect to the Direct Testimony of**
10 **Richard T. Guepe, filed on behalf of AT&T on September 7, 2001, in this docket?**

11 A. I have reviewed the testimony of Mr. Guepe and have the following comments with
12 respect to the rate design issue in this matter.

13 AT&T has raised interesting issues concerning the appropriate levels of access charges
14 in Tennessee. AT&T particularly espouses the view that access charges should be based
15 on the cost to the local carrier of providing the access services.

16 I believe and the Tennessee Operating Companies believe that these issues are complex
17 and relate to all local exchange carriers operating in Tennessee and should be reviewed
18 as an overall policy matter by the Tennessee Regulatory Authority. If changes need to be
19 made in the level of access charges in Tennessee, they should be based on sound and
20 reasoned policy choices that should be applicable to all companies operating in
21 Tennessee.

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1 AT&T highlights the cost issue related to access charges. In my opinion, there are other
2 issues related to access charges that should be considered. These include, but are not
3 limited to, the effect of changes in the calling patterns of the customers of the local
4 exchange companies; the economic impact of the growth in wireless usage; and, the
5 changes in the number of access lines of each company. There are almost certainly other
6 issues that would be appropriately addressed in a proceeding that would consider these
7 matters globally with respect to all Tennessee local exchange carriers.

8 **Q. Mr. Guepe states at page 12 of his Direct Testimony that there is no cost**
9 **associated with the CCL, TIC, and the Directory Assistance/Information surcharge**
10 **elements of the access charge. Do you have any comments regarding his**
11 **statements?**

12 A. I cannot concur with his statements that there are no costs associated with these
13 elements. First of all, it reminds me of arguments that the first customer should bear all
14 overhead costs with each succeeding customer bearing only incremental costs.
15 Secondly, the Tennessee Operating Companies are average schedule companies and
16 therefore do not have cost studies related to the access charge elements. So, from a
17 practical standpoint, I do not know the costs associated with these elements.

18 **Q. If you believe that the issue related to access charges should be resolved in a**
19 **global docket, why did the Tennessee Operating Companies enter into the**
20 **Memorandum of Understanding with AT&T?**

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1 A. The Memorandum of Understanding was executed for the purpose of expediting the
2 resolution of this case. It did not reflect a determination by the Tennessee Operating
3 Companies as to the level of costs associated with the access charge rate elements that
4 the agreement proposed to adjust. Instead the overall access rates that would have been
5 implemented under the agreement represented what the Tennessee Operating
6 Companies believed to be a reasonable compromise of the issues raised by AT&T in this
7 docket.

8 **Q. Does this conclude your rebuttal testimony?**

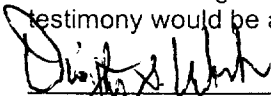
9 A. Yes, it does.

STATE OF TENNESSEE

COUNTY OF DAVIDSON

BEFORE ME, the undersigned Notary Public, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Dwight S. Work, who, being by me first duly sworn deposed that:


He is appearing as a witness on behalf of Crockett Telephone Company, Peoples Telephone Company and West Tennessee Telephone Company in docket No. 99-00995 before the Tennessee Regulatory Authority, and if present before the Authority and duly sworn, his testimony would be as set forth in the foregoing three pages.



Dwight S. Work

Sworn to and subscribed before me
this the 14th day of September, 2001.

My Commission expires: October 25, 2003



Notary Public

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Rebuttal Testimony of Dwight S. Work has been served upon the following, via the method(s) indicated, on this the 14th day of September, 2001:

- ☒ Hand
- ☐ Mail
- ☐ Federal Express

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- ☐ Mail
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